The A. F. of L. Weekly News Service gives news summaries and editorial interpretations of matters affecting labor concerning it in the industrial, legislative, and judicial fields, and mentions other influential facts of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

Entered as second-class matter September 25, 1912, at the Post Office at Washington, D. C., under the Act of August 24, 1912. Acceptance for mailing at special rate of postage provided for in Sec. 1103, Act of October 3, 1917, authorized July 11, 1918.

YOUR UNION LABELS, CARDS AND BUTTONS INSURE YOUR JOBS

WHOLE NO. 1884 — WILLIAM GREEN, President — WASHINGTON, D. C., TUESDAY, DECEMBER 31, 1946 — GEORGE MEANY, Secretary-Treasurer — VOL. 26, NO. 53

LABOR, USA

The twenty-sixth and final edition of the American Federationist of the Air, broadcast on the "Labor, USA" program over the American Broadcasting Company network, included the following outstanding feature articles to supplement the news:

Highlights of 1946

By ROBERT J. WATT
AFL International Representative

Very few Americans going to entertain wistful recollections of the year 1946. It was not, by any stretch of the imagination, a good year or a great year in our Nation's history. Looking back over it, we can see an almost continuous procession of mistakes—mistakes by the Government, by industry and by labor—mistakes that could have been and should have been avoided.

Of course, historians will write a more kindly story of 1946. They will say that the year now drawing to a close was a year of "readjustment," which is always a slow and painful process, even when the change should be a happy one—as from war to peace.

But that necessary period of readjustment could have been made a lot easier for the American people and for the American economy had it not been for the Government's complete failure to protect the value of the American dollar.

Today the prewar dollar is generally worth about half of what it used to be. In many cases, a dollar will buy no more than 30 cents would in 1939.

The disintegration of the dollar—better known as inflation—is the fundamental cause of most of our domestic, economic troubles today—and we have plenty of them.

Certainly, a steady dollar would have promoted higher prosperity. It would have avoided nation-wide disputes between management and labor over wages, and would have prevented real suffering on the part of millions of Americans who must depend on small, fixed incomes.

Let no people that the beginning of 1946 inflation already had made considerable progress. That's perfectly true. The dollar was sliding, but the grade was fairly level. With a little foresight, the Government could have succeeded in halting that skid and steadying our economy. But it failed.

The tragic thing is that the decision that brought about failure was almost deliberate. Shortly after the beginning of this year, the Government was confronted with the problem of liquidating wartime controls. If it had acted boldly, and announced that all controls over prices and wages would be dropped at a fixed date, our economy could have prepared for the shock and cushioned it.

But the Government decided not to let go. Faced with the refusal of the steel industry to bargain on prices except under pressure from drastically controlled, the Government deliberately created a "bulge" in the national defense against inflation. The White House announced that prices would be permitted a free rise in proportion to wage increases.

The "bulge" was a political, rather than an economic decision. It was unnecessary. It could have been avoided. Hundreds of American Federation of Labor unions already had negotiated wage increases for their members without forcing price increases. They had proved it could be done.

But the Government ignored these facts in its haste to appease the extremists on both sides. A new formula for wage increases was established along with a new formula for price increases. And the purchasing power of the dollar started tobogganing down-hill.

As time passed, the American people became fed up with the whole mess. They registered their dissatisfaction in the November elections. Belatedly, the Government got around to removing price and wage controls. But a great deal of damage already has been done.

As we look back upon the mistakes of 1946, we can't help feeling that conditions must improve in 1947. Congress has got rid of most Government controls. Under a free economy in 1947, we can begin making some real progress.

Preview of 1947

By BORIS SHISHKIN
AFL Economist

On the whole, America's outlook for 1947 is bright and promising. The war has cost us its grim toll from our people and has left its scars.

Yet our country stands, unravaged by war, in possession of greater productive capacity, better trained workers, more and better machines than ever before in our history. It seems that it should not take very much effort to capture prosperity. But we must realize that in practice this will prove by no means easy. And in the next year our successes will again be tempered by our failures.

The economic outlook for 1947, as never before, depends on what will happen to prices. On a more limited scale than we have known at the height of purchasing power of our people, that the volume of buying is bound to be curtailed and prices are bound to go down.

Price declines are clearly due in textiles, apparel and home furnishings. There will be a gradual decline in the price of food. Many of the postwar mechanical products, such as refrigerators, electrical appliances, will experience price reductions. At the same time prices of automobiles will remain high through the year, or until new models go into production. The cost of housing will remain high. It will not decline by more than representing up to $100 a month or selling up to $12,000. That means housing for most of us will remain overpriced. Yet, consumer resistance and the new supply of homes will undoubtedly cause advances in the prices of real estate boom, with the more expensive properties registering price declines. Unless comprehensive housing legislation is promptly enacted by Congress, veterans and most others will continue to face the hardships of an extremely housing shortage.

Next year will mark a great improvement in labor-management relations. There will be more formulas, setting arbitrary wage standards across the board, which precipitated the worst industrial disputes and the longest work stoppages in the past year.

There will be fewer strikes. Reliance on direct negotiation and settlement and on conciliation and mediation will be much greater. If left to their own responsibilities, and freed of Government rule, management and labor will have a tremendous incentive to work out their problems peacefully and on their own.

Despite the serious menace of a far-reaching economic unbalance brought on by the gap between high prices and declining buying power, 1947 will not witness a major economic depression—it will not be the year of the big bust. True enough, productive activity and the volume of sales in many sections of industry and trade are bound to decline. This may bring on a sharp recession. But, if it comes, it will be relatively short. Such a recession is likely to result in a considerable loss of employment.

However, there is no prospect for severe, widespread unemployment developing next year and beyond. Even though temporary slumps in production and employment we may hit next year will not prevent us from getting back into full stride by the end of the year.

Taken as a whole, 1947 will be a real postwar test of the American free enterprise system and of the effectiveness of our political democracy and our national leadership. Regardless of partisan political considerations, it is imperative that the executive and legislative branches of our Government unite on policies to advance the American standard of living.

Above and beyond all else, 1947 will be a test for each one of us. For during the next year, the real responsibility for peace, happiness and prosperity will fall more directly than it ever did on the American worker, American farmer, American business man and American housewife. Let us make 1947 a year of prosperous year, but let us determine that we must have it and make up our minds to work for it.

10,000 TEACHERS IN N. Y. HOLD PART-TIME JOBS

New York City—Unable to maintain the living standards to which they had accustomed themselves, 10,000 New York public school teachers have been compelled to take "outside jobs" to supplement their meager earnings, Dr. Jacob Greenberg, associate superintendent in charge of personnel, announced here.

Asked if the second occupations were legitimate, Dr. Greenberg replied that they were if the teachers were to pay their debts, keep their own children in school, and meet family obligations, including, in many cases, the support of parents.

6,000 JOIN UMW NO. 50

New York City—With an estimated membership of 6,000, the Local 21103 of the American Federation of Municipal Transit Workers (AFL), voted to join District 50 of the United Mine Workers (AFL).

American Labor Force of 62 Millions Estimated by 1950; Big 10-Year Gain

Washington, D. C.—The labor force of the United States should reach a strength of 62,000,000 persons by 1950, a gain of 13 percent over a 10-year period, it was estimated in a report by the Labor Department.

The largest part of this increase for a single decade, 35 percent, the December issue of the Labor Review declared sfl:; a survey, should occur on the Pacific Coast, with the South having a gain of 17 percent, the Northeast of 10 percent and the Great Plains area, from the Dakotas to Oklahoma, may suffer a net loss.

In view of the fact that the Nation's labor force is defined by the experts as all 14 years or older employed or seeking employment, the 62,000,000 figure is not necessarily the number who will be actually at work.

The work force in 1940 was 55,000,000, the report said, with 40 cents would in 1950 natural population growth, and continuation of the long-term trend toward use of more women in the labor market" were advanced as reasons for its estimated growth of 7,000,000 by 1950.

The high figure at the end of the decade, the report said, will still be 2,000,000 below the wartime peak. During the war, the labor force was swollen by the added participation of 5,000,000 housewives, students, retired workers and others normally outside the labor market.

But the great majority of these "extra" workers have already dropped out of the labor force and it is considered likely that by 1950 not more than a million will remain.

The regional changes of labor force growth during the '40s is attached not merely by changes in the rate of natural population growth, but also by the pattern of interstate migration, the study declared.

Thus the labor force on the Pacific Coast is expected to increase from 4,300,000 in 1940 to five and a half or six million by 1950, largely paralleling large-scale migration, mainly from the South and Midwest.

Despite the migration of workers away from the South, that area will show gain in the size of its worker supply because of its high birth rates in predominantly rural areas.

The Northeast will gain about three million workers in the 10-year period, principally because of normal population growth. But in the Great Plains area, the migration of the growing population away from the farms to industrial centers probably will result in a net loss of workers.

Successful Industries Find Labor Peace Is Major Key

UNIONS IN NEW YORK REPORT LARGE GAINS IN NEW CONTRACTS

New York City.—Major gains in wages and other benefits were reported by AFL Organizer William Collins in a report covering new contracts for thousands of workers in widely separated fields in this area. These included:

Food Processors and Distributors Union 23706—500 members—received 12½ cents increase per hour, two weeks vacation with pay after one year and 11 holidays with pay.

Federal Labor Union 23500—granted 10½ cents per hour increase for 50 members.

Local 23946 (American News Co.) 180 members received 67 per week increase; 100 members received 12½ cents per hour increase.

Grocery Warehousemen's Union 19822 received 20 cents per hour increase for 1,500 members, 11 holidays with pay; two weeks vacation after one year. Covered by $1,500 life insurance policy; $1,000 accidental death $150 doctor's fee; $6 per day hospitalization and $25 per week sick pay-table insurance program in with the Union Labor Life Insurance Co.

Paperhangers Union 21381 received 20 cents per hour increase covering 400 members.

Window Cleaners Workers 22167 received 15 cents per hour increase covering 250 members; eight holidays with pay; sick leave benefits; contract for insurance benefits with Union Labor Life Insurance Co.

Playthings and Games Workers Union 21951, where 250 members received 10 cents per hour increase.

American Federation of Office Employes Local 20940 received 20 cents per hour increase covering 250 office workers in the grocery warehouse industry.

American Federation of Rubber Workers Local 20499 received 15 cents per hour increase for 150 members; four cents per hour increase for piece workers; contract covers 900 employes.

American Wire Wire Fin-ishers Local 21016 received 12½ cents per hour increase.

Coffee and Sugar Workers Local 21151, membership of 600, received 12½ cents increase and hospital and life benefits covering.

Decorative Metal Workers Union 21079 received 18¼ cents per hour increase for 250 members.

FLU 22184 Tottenville, Staten Island, 10 cents per hour increase covering 150 members; sick leave benefits by the company (S. S. White Dental Mfg. Co.).

FLU 22209, membership of 160, received 15 cents per hour raise, pension, sick leave and hospitalization benefits.

Food Production Workers Union 19822 received 20 cents per hour increase, covered by 15 cents per hour increase, covered by pension, sick leave benefits and hospitalization.

Sporting Goods Production Workers Union 22100, a 15 cents per hour increase for 150 members.

Vending Machine Service Employes Union 20766 received 10 cents per hour increase.

Wholesale Candy and Tobacco Workers Union 22100, a 15 cents per hour increase covering 250 members.

Wholesale Warehouse and Grocery Service Employes 20792, where 650 members received 20 cents an hour increase.

New York City.—Analyzing 61 wage and employment guarantee plans, the National Industrial Conference Board declared that companies with guaranteed annual wages usually had a long history of harmonious labor relations.

Employe security plans have marked another step in a liberal progression of employe benefits, the board said.

As to operational success, half the plans studied had been discontinued—most of them after less than five years' trial. Two of the programs, on the other hand, have been in effect for 40 years after initiation.

Implicit employer-employe confidence and cooperation are of prime importance to the successful operation of an annual wage plan, the board observes, adding: "During a period of depression, where it may be necessary to restrict the hours of employment, to keep it operating, there will be employe suspicion and unrest unless the workers have confidence in the motives of management.

"Even though a guaranty plan makes a valuable contribution to employe security, it probably will not attain its maximum effectiveness unless the plan is thoroughly explained to the wage earners concerned. To this end the board has found that the details of employe communication within the organization should be used.

"Several of the plans surveyed were unsuccessful simply because they were announced as a surprise, without preliminary discussion of the aims and details of the program. The problem, as executives see it, is how to educate the employes as to the benefits of such programs, particularly those younger employes who never experienced the work spreading and layoffs prevalent during the last depression.

Experience has shown, the survey notes, that the company which has a collective-bargaining relationship can do well to consult with union representatives in the formulation of the plan and obtain their support. In some companies, plans inaugurated without previous consultation with the union have met with suspicion and fear that management was instituting this measure as a means of undermining the union.

P. O. SUPERVISORS CHARTERED

Boston, Mass.—The American Federation of Labor has chartered the National Association of Postal Supervisors, which brings the total of AFL unions to 105 and a membership of over 7,000,000. The organization has a membership of 12,650 with headquarters in this city. John Mahon of Boston is president of the NAPS.

FROG LEGS POPULAR

Chicago, Ill.—Contrary to reports coming from the middle American indemnification bureau, some 250,000 pounds of frog legs have been shipped from Cuba to the United States each year for the past six years—and frog hunting has become one of Cuba's most popular professions.

'CROSS SECTION' PROGRAM STARTS ON AIR JANUARY 4

New York City.—Announcement was made here by the Columbia Broadcasting System that, to provide a comprehensive weekly report on the Nation's main thinking problems, it will inaugurate a 27-week Saturday afternoon series entitled "Cross Section—USA" beginning January 4.

The program will be heard on Columbia stations throughout the country from 2 to 2:30 p.m. (EST) each Saturday.

Edward R. Murrow, CBS Vice President and Director of Public Affairs, said the program would be prepared in collaboration with nine organizations of national importance which will select the views of labor, management and agriculture. The AFL is included in these organizations.

Labor Issue High In Forefront As 80th Congress Convenes

Repeated AFL Warning Fulfilled As Social Security Aid Fails Short

Washington, D. C.—Confirming the warnings voiced repeatedly by the American Federation of Labor, the Social Security Administration, after more than a decade under the Federal old-age insurance program to free aged men and women from the need for public charity, admits in its annual report twice as many persons receive old-age relief as are withdrawing monthly insurance payments from the Social Security office.

Such total relief payments for 1946 will total more than $800,000,000, despite the progressed hope of the lawyers at the time the insurance program would reduce the burden on the taxpayers to an important degree.

At the same time it was made known that aid to dependent children, which was expected to have been reduced through the survivors' insurance program, will add $200,000,000 to the national relief bill, pushing the total for the aged and dependent children for 1946 to $1,000,000,000.

Spokesmen for the AFL, including Nelson Cruickshank, one of the leading authorities on social security legislation, pointed out to the House Ways and Means Committee as long ago as last spring that the benefits being paid to retired workers were below the living scales now established by State welfare departments.

Recent stories on the Security report, Mr. Cruickshank said, failed to point out that there has been a steady increase in Congress agreed in improving the benefit schedules, as the AFL had recommended. He cited particularly what had proved the unintentional concealment behind the year by year enactments to hold the contribution rate at 1 percent of employers and employes.

Time and again he and other AFL spokesmen, testifying on Capitol Hill, pointed out that the contribution rate which required a raising of this amount, "represented sound financing of a social insurance system and that as long as the contribution rate was frozen, it would inevitably result in underfinancing of the social insurance system and would force the Nation to return to the dole system, with its inherent evils of the needs test and the stigma that goes with the relief system.

The AFL had contended consistently that any social security system which is not all inclusive is deficient, not only with respect to workers who have been in the system but to those to reduce the benefits of retired workers who have worked only part time in covered employment. This results from the requirement of the present law to figure the "average earnings" of the years that have elapsed by dividing the total earnings by the total number of years since enactment of the law.

One factor in the failure of the social security program to make more rapid strides toward its goal of making old age a prospective and not a fate of the nation's workers are covered by the system. Many groups, like the domestic and casual workers, are excluded altogether.

The average monthly insurance payment for men quitting work at the age of 65 is now $24.83 and for women $19.85. This compares with a monthly average old-age relief grant of $34.43 for the nation as a whole and of $42.58 for New York State.

For a retired worker and his wife, the combined social security payments, according to the latest figures released by the SSA, is $38.83. A widow over 65 receives a monthly average of $20.17, while the average allowance for the orphaned child of a worker covered by the act is $12.42 a month.

Tax Rates in Cities Highest in 8 Years Survey Reveals

New York City.—This year's survey of American cities shows the greatest increase in tax rates in eight years, it was revealed in a survey by the National Municipal League.

The report, prepared for the League by Dr. Dorothy Dunbar Bromley, Governmental Research in collaboration with the Volkner Fellows of the National Bureau of Economic Research, stated there has been an increase of $1,000 in valuation, $20 in property tax rates and an increase of 5.3 percent in assessments over last year, the highest in the eight years studied.

The survey says the property tax likely will continue to bear the largest burden of local government costs, which have increased partly as a result of a rise in prices of supplies and equipment, and partly because of a resumption of many municipalities of capital construction which was retarded by the war.

"It is estimated," the report said, "that the average city in the United States derives about 90 percent of its tax revenues and 70 percent of its total revenues from the property tax. New demands, however, coupled with economic and industry limits upon property taxation, are forcing cities into new revenue fields."

The 240 cities surveying sizes which were surveyed. 130, or 52 percent, showed an increase in the tax rate. Thirty cities, or 12 percent, reported decreases, and 18 percent reported no change.

LARGE WHEAT CROP

Washington, D. C.— Two days after the final 1946 crop estimate report indicating the greatest wheat crop in American history, the U. S. Crop Reporting Board released even greater prospects for next year. The indicated increase will be raised on 8 per cent more land than produced last year's record. The report estimated 996,827,000 bushels of winter wheat in the next year.

HARD GOODS TO SET PACE

New York City.—The first four months of 1947 will see hard goods setting the pace in sales gains, it was indicated in a survey of 200 stores conducted recently by a large firm of resident buyers. Eighty-two percent of those in the middle of 1947 it was rated soft lines, said they expected to progress during their period, while the rest 50 percent of specialty shops, handling apparel and accessories expect to go behind.

SHOES TO BE PLENTIFUL

New York City.—Shoes will be plentiful by the middle of 1947 it was reported by leaders in the leather trade here. Abundant supplies are already on the market insofar as concerns slippers and women's play shoes and the only thing holding up further supplies, dealers said, is the shortage of raw materials and machinery in the industry.

Strikes at Low Ebb At Start of 1947 Survey Discloses

Washington, D. C.—The United States will enter the New Year with fewer people on strike than at any time since V-J Day, it was revealed in reports from the Labor Department.

It was estimated that during the holiday week between 300,000 and 400,000 were on strike. There was no major AFL strike in progress.

The Conciliation Service of the Labor Service is enthusiastically backing a Middle Atlantic labor-management conference of Philadelphia as an experimental attack on industrial strife at the local level—where it usually begins.

Secretary of Labor Schwellenbach and Conciliation Director Edgar L. Warren Monday week issued joint methods for dealing with labor troubles, hope the Philadelphia meeting is about the way.

Peter J. Manno, youthful Philadelphia branch director for the Conciliation Service, will be chairman of the conference. He will have no vote except in case of a tie. Taking part will be 10 representatives of management and 10 for labor.

MUNGER OF HATTERS JOINS AFL MISSION TO ARGENTINA

Washington, D. C.—William L. Munger, executive secretary of the United Hatters, Cap and Millinery Workers' International Union, has been named technical adviser for Israel H. Goldberg, vice president of that group, on the special AFL delegation named by AFL President William Green to visit Argentina in January on the invitation of the Argentine Confederation of Labor and the Confederation of Labor. The press of Mr. Goldberg to decline the invitation.

Others in the AFL delegation, which will depart January 15, include Arnold S. Zander, president of the American Federation of State, County and Municipal Employes, Madison, Wis.; Lee W. Minston, president of the Glass Bottle Blowers' Association of the U. S. and Canada, Philadelphia; Miguel Garrigo, vice president of the Hotel and Restaurant Employes' International Alliance, New York City; Serfino Romualdi of the International Ladies' Garment Workers' Union, New York City. Latin American representative of the AFL and secretary and interpreter for the group, and Philip Pearl, AFL information director.

HOME DEBT AT RECORD

Washington, D. C.—The nation's debt on homes, through its mortgage lending activities during 1946 will be boosted to the record figure of more than $23,000,000,000 by the end of this year, according to estimates presented in the forthcoming issue of The Federal Home Loan Bank Review, publication for member institutions of the Federal Home Loan Bank System.

President May Request A Joint Congressional Study Before Action

Washington, D. C.—The 80th Congress opened its sessions in an atmosphere apparently hostile to organized labor.

Influential leaders of the new Republican majority in both houses of the new Congress emphasized their determination to enact legislation to restrict the right to strike and to hamper the activity of trade unions as the first order of business.

However, it was reported that President Truman, in his State of the Union message to Congress, would not recommend any changes in the Wagner National Labor Relations Act.

He is expected to limit his request for labor legislation to a proposal giving the Federal Government authority to intervene in strikes creating a national emergency.

The Republican program on labor legislation may be drafted by Senator Taft, of Ohio, slated for chairmanship of the Senate Labor Committee, and Senator Ball of Minnesota. Ball is a coauthor of the Burton-Ball-Hatch bill, which got nowhere in the last Congress.

Taft said he would urge the new Congress to re-enact the Case Bill, passed last year but vetoed. This measure was condemned bitterly by AFL President William Green and other labor leaders.

The policy to be followed by the AFL with regard to the new legislative program on labor to be submitted to the Congress in the next few weeks will be forwarded from the AFL Executive Council, which will convene in Miami January 29 for its mid-winter meeting. This communication is expected, in general, to oppose legislation repressive in character and which would deprive American workers of their basic, constitutional liberties.

The strategy for bringing about defeat of anti-labor proposals will be determined at the Executive Council meeting.

Meanwhile, President Truman was reported by Louis Stark, veteran labor writer of the New York Times, to have in mind that amendment of the Wagner Act would assure the National Labor Relations Board that it is fully aware that this law is limited to protecting the right of employes to bargain collectively and not to settle disputes before they break into strikes, it possible.

Mr. Stark reported that it is regarded as quite possible that the President may call for a Congressional study of labor legislation before he will do so at this time is uncertain. In vetoing the Case Bill, he stated such study might be advisable. This time, if he suggests it at all, it is likely to include the 42d session of the Congress.

Grave warning against imposition of restrictive curbs on labor, on grounds that their slight lead to a fresh wave of strikes, was sounded by F. P. Fenton, prevented by illness from attending the 42d session of the meeting of the American Political Science Association, which whose memoir was made by a colleague. Mr. Fenton, AFL organizational director, declared collective bargaining, with a minimum of Government interference, was the best key to industrial peace.

One Home member, who recently discussed tax matters with the President, said he believes from Mr. Truman's comments that the President will recommend in his message to Congress on taxes, that the White House will propose a lowering of the rate on persons in low-income brackets—those under $5,000 gross—perhaps through lowering of exemptions in that bracket—to increase buying power.

WASHINGTON TYPO UNION GETS SUBSTANTIAL RAISE

Washington, D. C.—An increase of 15 cents an hour was accepted overwhelmingly by members of the Columbia Typographical Union here. The raise will be retroactive to August 16.

Under terms of the new agreement, the hourly rate of printers, machine operators and proofreaders for job shops will be boosted to $1.87 per hour on a 37½-hour week.

Newspaper printers settled their scale several weeks ago and the terms of the Government Printing Office was approved also by the Joint Printing Committee. Under the new agreement an increase of 20 percent was approved for some 2,800 in the GPO.

The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor originating in the industrial, legislative, and judicial fields, and contains other information for the benefit of the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

SUPPLEMENT

YOUR UNION LABELS, CARDS AND BUTTONS INSURE YOUR JOBS

WILLIAM GREEN, President — WASHINGTON, D. C., FRIDAY, JANUARY 3, 1947 — GEORGE MEANY, Secretary-Treasurer

Employment Is Highest In History, Small Reports to President Truman

Washington, D. C.—Postwar reconversion gains already have boosted industrial production "at least 50 percent above the average of the late 1930's . . . and for the last six months it has climbed from one peace-time record to another," John D. Small, former Civilian Production chief, reported to President Truman at the close of the year.

At the present time, Small declared, virtually full employment has been reached, with 57 to 58 million people in jobs—"the highest in the history of the country." He warned, however, that this situation can continue only if labor and management cooperate to avert stoppages. The employment figure is six million higher than after V-J Day, four million above the wartime peak and 14 million higher than in 1939, he said.

Blending optimism with caution, Small declared the Nation's economy is generally in a "healthy condition" and "it should be possible to achieve maximum output for most commodities within a reasonable period of time under the momentum that has been accumulated."

On the other hand, he told Mr. Truman in a final report on CPA:

"A new wave of work stoppages at this time or in the next few months could well lose for the country much of the gain that has been made in recent months."

Small emphasized that "some better solution" must be found for settling labor disputes and cautioned that "the exercise of wartime powers over allocation powers is not the solution."

"The solution must be reached," he said, "by management and labor working together in the interest of more production once lost cannot satisfy human needs, fill pay envelopes or return profits to the owners.

"Major strides of early 1946 delayed the achievement of today's record employment and production by several months. There could be more still being felt in diminishing degree."

Set up in November, 1945, to take over activities of the old War Production Board, CPA was charged with helping industry along the war-to-peace conversion path through allocation of scarce materials, issuance of priorities to aid essential users obtain materials, and by promoting effective exports and hoarding of items in short supply.

JOBLESS INSURANCE PAY FALLS 50% DURING 1946

Washington, D. C.—Jobless insurance payments throughout the country declined more than 50 percent in 1946, it was indicated by an analysis of figures compiled by the Social Security Administration.

The peak of idleness caused by the shift from war to a peace economy was reached in January, 1946, when 1,624,300 workers drew $183,248,000 in unemployment insurance. In September, last month for which certified figures were available in the regional offices of the agency, the number of unemployed had fallen to 839,000 and insurance payments amounted to $85,216,000. November payments, on the basis of incomplete returns, were expected to be about $86,500,000.

Officials noted that the number of workers unemployed represented fewer than 2 percent of the 42,500,000 covered by unemployment insurance throughout the country.

Payment of unemployment allowances to jobless veterans also is going down, according to official reports. Membership in the "52-20 Club" reached its peak in July, when 2,000 veterans received $152,673,000 in readjustment benefits. In September there were 1,476,000 veterans drawing $124,682,000.

A review of unemployment insurance payments by all States from January, 1937, through September, 1946, showed that $6,065,000 in benefits had been distributed to jobless workers. In connection with the unemployment insurance fund total, contained a reserve of $6,702,000,000, or 10 times the amount paid out in 10 years.

While conceding that the trust fund never had had to sustain the impact of a major depression, officials said there was little doubt that the fund was sufficiently large to weather almost any foreseeable economic upheaval.

The size of the fund has brought the jobless system of severance, free from employers who contend that such a reduction should be made either on a blanket basis or through merit-rating plans under which tax rates are geared to the employer's success in holding down unemployment.

The other type of pressure is from labor groups, which argue that the surplus justifies a liberal extension of larger benefits or to extend the period of time during which benefits may be paid. The average weekly unemployment insurance benefit is $18.37.

Court Upholds Dismissal In Closed Shop Conflict

Chicago.—Overruling the National Labor Relations Board, the United States Circuit Court of Appeals upheld the right of a union in a closed shop to obtain the dismissal of a member who joined a rival union. This provision, the court noted, was one means whereby Congress strengthened union-employer relations.

Central figure in the controversy was Warren Wilson, an employe of the Lafayette, Ind., plant of the Aluminum Co. of America, scene for many years of a struggle waged by the Federal Labor Union (AFL) and the United Automobile Workers (CIO) for exclusive collective bargaining rights.

Following two indecisive elections, the AFL union was clearly victorious in 1943 and, again, in 1945, emerged triumphant. In March, 1946, the latter union called upon the company to discharge Wilson, declaring he had signed a card to join the CIO and had been proselytizing fellow workers to do likewise. The company submitted the issue to the War Labor Board, which sustained the union's dismissal.

Wilson and the CIO appealed to the NLRB, and that body overruled the WLB, suggesting the Aluminum Co. was engaged in unfair labor practices and directed reinstatement of Wilson with back pay.

The company took appeal and the court, in an opinion written by Judge John J. Parker and concurred in by Judges Thomas Morris Gibson and Curtis L. Lindley, overruled the NLRB and upheld the WLB decision.

"It is apropos at this point," the court declared, "to note that the [NLRB] board's order appeared to be founded upon a misinterpretation of the [NLRB] act, and thereby fails to effectuate its policies. Among other things, the act was designed to strengthen the unions in their dealings with the employers. The closed shop is an example."

Official of AFL Teachers Charges NEA Is Sponsor of Company Unions

Chicago.—Charges that most organizations affiliated with the National Education Association are little more than company unions, controlled by school administrators, were made here by Irving F. Kuenzli, secretary-treasurer of the American Federation of Teachers (AFL).

Mr. Kuenzli's assertion was in answer to a New York Times statement from the NEA in which it offered, in effect, to "unionize" 20 of the state and local branches, the agency to talk salary increases for the teachers. Mr. Willard E. Givens, executive secretary of the NEA, explained that the organization is aiming against trade unionism, and its opposes the teachers' unions.

"For three-quarters of a century the National Education Association has advocated independent local organizations, and has opposed affiliation of teachers within the labor movement of America," Mr. Kuenzli declared in a statement issued from AFL headquarters. "Most of the organizations affiliated with the NEA are by the nature of company unions controlled by administrative officials, many of whom are deeply embroiled in local politics.

"The crisis facing American education today and the professional status of teaching are graphic and tragic evidence of the failure of these organizations. The dependence upon statement rather than action and the lack of strong organization among the teachers of the nation have brought about a gradual weakening of the public school system.

Only the provision of adequate financial support of the schools at local, State and Federal levels is the answer to the crisis in education for teachers to strike as a last resort to obtain justice is a thing of the past," Mr. Kuenzli held. He noted that the AFT has a no-strike policy, and that until the recent strike of teachers in St. Paul there had never been a strike among AFT teachers.

Teachers in New York gave a direct vote on the NEA when, at the meeting of the Teachers Salary Conference, Mr. Givens appeared to support the proposal that teachers' salaries be tied to the cost of living. Mr. Givens' position on the question in favor of escalating rather than fixing the salary question to up-State New York.

New York teachers also took issue with Mr. Givens and the NEA over the difference between a strike, opposed by the association, and the refusal of teachers to work until they obtain desirable contracts, a policy which the NEA advocates.

Mrs. Rose Russell, legislative representative of the Teachers Union, said she had proposed the possible strike stoppage at the joint conference meeting.

"This might be the equivalent of the 'no contract, no work' policy of the National Education Association," she said, "in which teachers refuse to schedule established by law and the contract."

Johnson Says Pay Raises Have Never Caused Slump

Washington, D. C.—Fears expressed in some quarters that wage and salary gains, achieved through collective collective bargaining, might precipitate an economic slump are not shared by Keen Johnson, Under Secretary of Labor.

In an address over the Mutual Broadcasting network, Mr. Johnson declared that, although the economists and historians were not always in agreement about what causes depressions, "one fact is quite clear: from 1790 until today, no major depression has been due to the fact that the wages and salaries workers of all kinds have given too large a share of the national income."

"Historically the aims of labor have been the aims of a free people—all people," he declared. "Looking at the present scene—at production, employment and profit levels—I find nothing to suggest that genuine collective bargaining, carried through in relation to wage and salaried workers absolutely must result in a national income.

"Let us make no mistake about it. We Americans are resolved that there shall be no more raw economic power shall determine our national destiny, which yield the kind of boom and bust, and we are resolved that there shall be no breadand-butter contracts which determine business policy, but a broader agreement—a social contract—which will encourage the wildest, fullest distribution of goods and services to all our people."

Milliman, Maintenance Union Head, Dies on Operating Table In Detroit

Washington, D. C.—AFL President William Green paid high tribute to Elmer E. Milliman, president of the AFL International Brotherhood of Maintenance of Way Employes, who died in Detroit at the age of 56.

"The death of President Milliman comes as a tremendous shock to all his friends who was so active in labor circles," Mr. Green said. "All the representatives of the American Federation of Labor and the Railroad Workers have suffered a tremendous loss as a result of his passing. No one can adequately appraise the services which all the hosts of Labor have rendered.

"Mr. Milliman was an outstanding leader of the Brotherhood of Maintenance of Way Employes and served in various responsible positions in railroad groups and the AFL as well. He was president of the highest order of honor and integrity. We join with all his friends in sorrow at his death. To the sorrow which they feel as the result of the death of President Milliman, and extend to his family and all his friends our sincere sympathy."

Mr. Milliman entered the Fort Wayne (Ind.) Railroad Shops as a boy and began his employment of today's record employment and production by several months. Their goal was still being felt in diminishing degree."

Set up in November, 1945, to take over activities of the old War Production Board, CPA was charged with helping industry along the war-to-peace conversion path through allocation of scarce materials, issuance of priorities to aid essential users obtain materials, and by promoting effective exports and hoarding of items in short supply.

Truman 'End of Hostilities' Message Cuts Off Many Emergency Controls

Washington, D. C.—President Truman's surprise proclamation declaring the end of hostilities in World War II swept away the Federal Government's wartime power over nearly 20 or more statutes, but left many emergency controls which only the Congress can repeal before their specific expiration date.

These were the most important laws affected by the proclamation:

1. The Government's authority to seize strike-bound mines, plants or factories has ended. Within six months, private industries previously held by the Government must be returned to their owners. The Federally held soft coal mines must be turned back to their owners before June 30, unless Congress makes other provision for retention.

2. The Presidential action will mean an automatic reduction in the pay rates on many commodities and services on July 1. At the present level of consumer spending, these cuts will save taxpayers almost $2,000,000,000 in the next fiscal year. Taxes are reduced on liquor, wine and beer, admissions, club dues and cabaret checks, toys and sporting goods, luggage, telephone service, telegraph cable and radio facilities, electric light bills, billiard and bowling establishments, and transportation of persons.

3. By waiting 12 hours before the end of 1946, Mr. Truman limited to two full calendar years—until December 31, 1948—the period for which the Federal Reconciliation Service may function as a referee to return many of their commodities to the pre-war level of parity.

4. The President indicated that he will ask the new Congress "in the near future" to repeal the Smith-Connally act as end and the national emergency ends.

This move, a probable follow-up to what the Democrats called "a bi-partisan operation" with the Republican dominated Congress, may open the door to action to terminate many additional wartime powers granted to the executive administrative agencies by Congress during the war. However, unless specific controls might be extended by law, it is highly unlikely that application of Congress should decide they were still needed.

AFL UNION SELECTED

Chicago, Ill.—Harry O'Reilly, AFL regional organization director, announced that in an election held by the National Labor Relations Board recently, employes of the Illinois Paint Co., Inc., of Local 194, Paint, Varnish, Lacquer, and Allied Products union, by 57 to 29.

DIAPER SCARCITY CONTINUES

New York City.—Even though the baby boom is over, the diaper shortage there was no indication of an impending end to the scarcity, predicted New York textile men. They predicted a continuing shortage of diapers for at least the next year. Although it is true the situation will be eased considerably by the third quarter of 1947.

ONCE BROKE, GIVES BONUS

Erie, Colo.—This little town stepped into the headlines when 827 residents of the 1,400 population received Christmas bonus checks from their employer, owner of a pottery plant which was broke 14 years ago. His name is J. E. Reese, and he is 53. The bonus amounted to $700,000.

Individual Savings Fall Billion In Year

Philadelphia. — Individuals saved $4,300,000,000 in liquid form in the third quarter of 1946, $1,000,000,000 less than in the second quarter, according to an analysis issued by the Securities and Exchange Commission. Investments in corporate securities were not included.

The commission said that the declines reflected the increase in consumer expenditures which in turn reflected the increases in income after payment of taxes, as compared with the normal seasonal rise for the period.

Increased cash and deposits, amounting to $1,600,000,000, constituted the largest component of individuals' savings and were in addition to $900,000,000 added to their equity in Government insurances, $700,000,000 to private insurance, $700,000,000 added to their investment in Government securities and $200,000,000 to their investment in savings and loan associations.

At the same time they increased their mortgage indebtedness by $900,000,000.

House Un-American Unit Asks Purge of Communists By Labor

Urges Legislation Barring Noncitizens From Union Office

Washington, D. C.—New legislation to insure the Nation and labor unions of complete freedom from subversive activities was urged upon Congress in the latest report of the House Committee on Un-American Activities.

One of the major proposals of the committee would set up far more stringent controls on subversive agents and would permit only American citizens to hold office in labor unions. This was of only one of 11 recommendations for new legislation presented to the new Congress after exhaustive studies.

The report found that subversive agents had obtained a firm grip on a number of CIO unions and declared that the time for a full purge had arrived. The report, signed by six of the nine committee members, also called on labor organizations and Government officials to purge themselves of Communist influence.

The report of this committee is the culmination of a hot fight in the Corrupt Practices Act by some 60 CIO unions had been turned over to the Justice Department. All were held to have made contributions to campaign funds in violation of the statute prohibiting such action.

Terming a purge "the most effective method of dealing with Communists, fascists, labor-mongers and other subversive elements," the Un-American group's report said that the two totalitarian creeds of fascism and Communism "have demonstrated themselves to be equally dangerous, equally coercive and unconscionable."

Its recommendation for barring officials positions in labor unions to aliens limited this to unions subject to Federal law. This even the most of the unions, committee members said.

Other recommendations included the setting up of an independent commission with authority to investigate and to order the discharge of any employe or official of the Federal Government whose loyalty is in doubt.

The committee said that the Department of Justice be required by law to establish within its department a special division devoted to the prosecution of subversive elements, and that Justice and State Department agents be required to publicize every six months the names and activities of all agents of any foreign governments who are in the United States for any purpose.

It also asked legislation:

Requiring that all alien Communists as well as naturalized citizens be promptly deported, and that the immigration service maintain a permanent screening process to restrain "the present influx of aliens into the United States."

Depriving all diplomatic or foreign agencies of their lower-rate secondclass mailing privileges unless reciprocal privileges was granted to American. Similar mail privileges, the committee held, should be taken away from groups or persons publishing or distributing subversive propaganda.

Restricting the benefits of certain tax exemptions now extended "to a member of Communist front groups" as educational charitable or relief organizations.

Preventing persons from joining unions unless or assumed name organizations subject to Federal laws or using the mails.

The committee Thomas refused to concur in another recommendation, that the Communist Party in the United States must publish a full financial headings in the trade parlance of the foreign language text. He felt this would be an infringement on the freedom of the press.

TRUMAN PUTS UP PRIZES FOR IDEAS TO CUT COSTS

Washington, fl, C.—Taking a new personal interest in the Government's spending, President Truman has offered prizes totaling $10,000 as high as $1,000 for suggestions on how to cut down waste and extravagance.

By executive order the President set up a merit-award system for Government workers. He offer the money proposals which can be applied effectively within five years of their presentation. The cash awards will be determined by the amount of the annual savings resulting from each suggestion. The minimum award is $10 for each $200 of savings, with a ceiling of $1,000 for an idea which saves the Government more than $300,000 a year.

AFL Delegate to UNESCO Parleys Sees Labor Big Key to Long Peace

Washington, D. C.—Sincere belief that the postwar upheaval can be straightened out and a path to a secure peace and better understanding among the nations can be charted through the creation of labor was expressed by Nelson Cruikshank, social security director of the AFL, in a formal report to President William Green.

Returning from a recent conference in Paris of the United Nations Educational, Scientific and Cultural Organization (UNESCO), Mr. Cruikshank said he had been named an American delegate on the recommendation of Mr. Green, reported on the conviality and determination on the part of all delegates to lay the foundations for lasting peace and improved understanding.

"The recurring theme of the conference," he said, "was that these wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed. With this world of unprecedented hope and power, this might seem an unrealistic approach. To the representatives in Paris it seemed the utmost realism, since they had been given the evidences of the cruel price men will pay paid for the failure to create a more practical course. While they were meeting in Paris, the fires were and forging their political alliances and preparing for the next step in the building peace through improved understanding. The conference was the first step to organizations like the AFL, which represent the democratic forces of the masses of people, to nurture and support it until it is fully grown."

AFL ABANDONS PLANS TO SET UP PARIS OFFICE

Paris.—Plans of the American Federation of Labor to establish an office in Paris were abandoned, it was announced by Irving Brown, AFL European representative, due to the hostility of the World Federation of Trade Unions, Confederation Generale du Travail (French Trade Federation). Instead, Brown said, the AFL would operate from Brussels or Geneva.

The French C.G.T. has seemed fit to misinterpret our statements and opinions," Mr. Brown said. "We certainly are not going to cooperate in a city where the official attitude of the Federal Government such an attitude."

He declared Leon Jouhaux, leader of the Socialist minority in French labor, as one of the "grand figures of the French and European labor and social movements."

Mr. Brown said the decision on where to set up an office would be made by the general officers for Germany, directed by Henry Wilson Smith, Military Government chief.

Mr. Brown said the European office as a general has a director of the AFL decision to organize European offices as a result of American labor's break with international.

In recent weeks, however, unauthorized and misinterpreted dispatches in Europe have caused "much misunderstanding and rash mud-slinging attacks," he said. In the case of Jouhaux, he put in the Moscow paper Pravda and had been denounced in the Communistic trade-union press in France.

Arbitration Outlook Regarded Bright If 1946 Record Holds

New York City.—Prospects for arbitration were brighter throughout America and the world at large than at any time, if present rate of progress made in the last year, W. H. Swarz, president of the American Arbitration Association, declared here.

Men and women everywhere, he said, are seeking specific formulae for securing a just and lasting peace.

"In labor and industry, in trade and commerce, in politics and statesmanship, they are rediscovering their oldest device for the attainment of justice in the settlement of dispute—impartial and voluntary arbitration," he declared.

Labor members, labor-management disputes rank first. A new trend was reported in the many months and numerous agreements between employees and employers to submit the disputed terms of a proposed contract to arbitration. Three instances of arbitration preventing strikes, of course, do not make the headlines, but they far outnumber the strikes that do. Labor and management are both very much awake to the disadvantages of imposing compulsory arbitration if the present free collective bargaining procedure marks the New York City transit settlement, the bituminous coal strike, the shipping strike and the railroad settlement of 1946.

"In domestic trade and commerce, the tremendous backlog of consumer goods has given great impetus to the use of conciliation and arbitration, and, of course, has enjoyed widespread popularity for many decades."

Jobs In Philadelphia At Peacetime High

Philadelphia.—Employment gains in the industrial area of this area are now listed as the highest in peacetime history, it was disclosed in a report by William B. Galloway, Jr., manager of the Pennsylvania State Employment Service.

A report on labor figures for the year 1946 showed that the industry, despite material shortages and strikes, regained its prewar position as the leading employer of labor in the area, which includes Philadelphia and four surrounding Pennsylvania counties, Camden, Burlington and parts of Burlington and Gloucester counties in New Jersey.

Employment in the textile industry was reported at 75,000, a gain of 5,000 to 64,000 in November.

Galloway estimated that total employment had increased 70,000 in the past year to a total of 1,296,000. About $1,000 are unemployed, he said.

XMAS SALES SET RECORD

New York City.—Department store sales here in December were reported to have reached a gain of 28 percent over the comparative 1945 month, the Herald Tribune said after a survey. The increase boosted sales to the highest levels ever recorded for that month.

FREIGHT LOADING RISE IN FIRST QUARTER SEEN

New York City.—Freight loadings in the first quarter of this year will approximate 7,091,603 cars, an indicated increase of 6.8 percent, over the actual loadings in the 1946 period, the Association of American Railroads reported on the basis of estimates compiled by 13 regional Shippers' Advisory Boards.

All geographic regions expect higher loadings than a year ago, the greatest estimated gain being 22.4 percent in the Great Lakes area. For the Atlantic States the gain is placed at 13.6 percent, and for the Southern area at 8.1 percent. The smallest indicated increase is in the Pocahontas area, 2.4 percent.

For individual commodities increases are estimated in the loading of 28, and decreases in 4.

L.-M. INSTITUTE

Storrs, Conn.—The University of Connecticut has announced the establishment of an institute of labor-management relations and has appointed Myron Clark of Boston, former official of the U. S. Rubber Co., to direct it. The institute will offer several types of services to employers, employes and others.